



ANNUAL STATEMENT
For the Year Ending December 31, 2008
OF THE CONDITION AND AFFAIRS OF THE
AMERIGROUP Maryland, Inc.

NAIC Group Code	1156 (Current Period)	1156 (Prior Period)	NAIC Company Code	95832	Employer's ID Number	51-0387398
Organized under the Laws of	District of Columbia		State of Domicile or Port of Entry	District of Columbia		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[] Dental Service Corporation[] Other[]		Property/Casualty[] Vision Service Corporation[] Is HMO Federally Qualified? Yes[] No[X] N/A[]		Hospital, Medical & Dental Service or Indemnity[] Health Maintenance Organization[X]	
Incorporated/Organized	01/09/2003		Commenced Business	06/01/1999		
Statutory Home Office	750 First Street NE Suite 1120 (Street and Number)		Washington, DC 20002 (City or Town, State and Zip Code)			
Main Administrative Office			4425 Corporation Lane (Street and Number)			
	Virginia Beach, VA 23462 (City or Town, State and Zip Code)		(757)490-6900 (Area Code) (Telephone Number)			
Mail Address	4425 Corporation Lane (Street and Number or P.O. Box)		Virginia Beach, VA 23462 (City or Town, State and Zip Code)			
Primary Location of Books and Records			4425 Corporation Lane (Street and Number)			
	Virginia Beach, VA 23462 (City or Town, State and Zip Code)		(757)490-6900 (Area Code) (Telephone Number)			
Internet Website Address	www.amerigroupcorp.com					
Statutory Statement Contact	Margaret M. Roomsburg (Name)		(757)490-6900 (Area Code)(Telephone Number)(Extension)			
	MROOMSB@amerigroupcorp.com (E-Mail Address)		(757)557-6742 (Fax Number)			

OFFICERS

Name	Title
Julia Clark Locke	CEO
Robert Walter Brown	Vice President/COO - DC
Vincent Michael Ancona	President/COO - MD
Stanley Forrest Baldwin	Vice President/Secretary
Nicholas Joseph Pace II	Vice President/Asst. Secretary
Richard Charles Zoretic	Vice President/Asst. Secretary
Scott Wayne Anglin	Vice President/Treasurer
James Ward Truess	Vice President/Asst. Treasurer
Karen Lint Shields	Vice President/Asst. Treasurer

OTHERS

Margaret Mary Roomsburg, Vice President Linda Kaye Whitley -Taylor, Vice President

DIRECTORS OR TRUSTEES

Julia Clark Locke Vincent Michael Ancona
Nicholas Joseph Pace, II

State of Virginia
County of Virginia Beach ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature) Julia Clark Locke	(Signature) Stanley Forrest Baldwin	(Signature) Margaret Mary Roomsburg
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
CEO	Secretary/Vice President	Vice President
(Title)	(Title)	(Title)

Subscribed and sworn to before me this day of , 2009

a. Is this an original filing? Yes[X] No[]

b. If no, 1. State the amendment number

2. Date filed

3. Number of pages attached

(Notary Public Signature)

ASSETS

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols.1-2)	Net Admitted Assets
1.	Bonds (Schedule D)	88,537,447		88,537,447	65,168,769
2.	Stocks (Schedule D)				
2.1	Preferred stocks				
2.2	Common Stocks				
3.	Mortgage loans on real estate (Schedule B):				
3.1	First liens				
3.2	Other than first liens				
4.	Real estate (Schedule A):				
4.1	Properties occupied by the company (less \$.....0 encumbrances)				
4.2	Properties held for the production of income (less \$.....0 encumbrances)				
4.3	Properties held for sale (less \$.....0 encumbrances)				
5.	Cash (\$.....6,284,436 Schedule E Part 1), cash equivalents (\$.....2,000,000 Schedule E Part 2) and short-term investments (\$.....82,610,457 Schedule DA)	90,894,893		90,894,893	94,725,408
6.	Contract loans (including \$.....0 premium notes)				
7.	Other invested assets (Schedule BA)				
8.	Receivables for securities				
9.	Aggregate write-ins for invested assets				
10.	Subtotals, cash and invested assets (Lines 1 to 9)	179,432,340		179,432,340	159,894,177
11.	Title plants less \$.....0 charged off (for Title insurers only)				
12.	Investment income due and accrued	902,352		902,352	835,010
13.	Premiums and considerations				
13.1	Uncollected premiums and agents' balances in the course of collection	12,761,511		12,761,511	15,186,790
13.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)				
13.3	Accrued retrospective premiums				
14.	Reinsurance:				
14.1	Amounts recoverable from reinsurers	76,744		76,744	2,138,870
14.2	Funds held by or deposited with reinsured companies				
14.3	Other amounts receivable under reinsurance contracts				
15.	Amounts receivable relating to uninsured plans	170,082		170,082	
16.1	Current federal and foreign income tax recoverable and interest thereon	1,664,167		1,664,167	
16.2	Net deferred tax asset	9,291,756		9,291,756	7,246,497
17.	Guaranty funds receivable or on deposit				
18.	Electronic data processing equipment and software	387,528	243,070	144,458	307,561
19.	Furniture and equipment, including health care delivery assets (\$.....0)	238,190	238,190		
20.	Net adjustment in assets and liabilities due to foreign exchange rates				
21.	Receivables from parent, subsidiaries and affiliates	746,604	746,604		
22.	Health care (\$.....0) and other amounts receivable	11,864,390	11,864,390		
23.	Aggregate write-ins for other than invested assets	12,751,310	12,751,310		
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	230,286,974	25,843,564	204,443,410	185,608,905
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26.	Total (Lines 24 and 25)	230,286,974	25,843,564	204,443,410	185,608,905
DETAILS OF WRITE-INS					
0901.	.....			
0902.	.....			
0903.	.....			
0998.	Summary of remaining write-ins for Line 9 from overflow page				
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)				
2301.	Goodwill	12,679,002	12,679,002		
2302.	Prepaid Premium Tax	72,308	72,308		
2303.	.....			
2398.	Summary of remaining write-ins for Line 23 from overflow page				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	12,751,310	12,751,310		

LIABILITIES, CAPITAL AND SURPLUS

		Current Year			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$.....0 reinsurance ceded)	78,282,055		78,282,055	94,091,941
2.	Accrued medical incentive pool and bonus amounts				
3.	Unpaid claims adjustment expenses	2,029,535		2,029,535	2,282,479
4.	Aggregate health policy reserves	16,647		16,647	1,545
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserves				
7.	Aggregate health claim reserves				
8.	Premiums received in advance	43,099,118		43,099,118	39,642,202
9.	General expenses due or accrued	117,013		117,013	56,120
10.1	Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses))				516,211
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable				
12.	Amounts withheld or retained for the account of others				
13.	Remittances and items not allocated				
14.	Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)				
15.	Amounts due to parent, subsidiaries and affiliates				490,741
16.	Payable for securities				
17.	Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers)				
18.	Reinsurance in unauthorized companies				
19.	Net adjustments in assets and liabilities due to foreign exchange rates				
20.	Liability for amounts held under uninsured plans				202,985
21.	Aggregate write-ins for other liabilities (including \$.....0 current)				
22.	Total liabilities (Lines 1 to 21)	123,544,368		123,544,368	137,284,224
23.	Aggregate write-ins for special surplus funds	X X X	X X X		
24.	Common capital stock	X X X	X X X	10	10
25.	Preferred capital stock	X X X	X X X		
26.	Gross paid in and contributed surplus	X X X	X X X	29,850,735	29,667,426
27.	Surplus notes	X X X	X X X		
28.	Aggregate write-ins for other than special surplus funds	X X X	X X X		
29.	Unassigned funds (surplus)	X X X	X X X	51,048,297	18,657,245
30.	Less treasury stock, at cost:				
30.1	.....0 shares common (value included in Line 24 \$.....0)	X X X	X X X		
30.2	.....0 shares preferred (value included in Line 25 \$.....0)	X X X	X X X		
31.	Total capital and surplus (Lines 23 to 29 minus Line 30)	X X X	X X X	80,899,042	48,324,681
32.	Total Liabilities, capital and surplus (Lines 22 and 31)	X X X	X X X	204,443,410	185,608,905
DETAILS OF WRITE-INS					
2101.	.....			
2102.	.....			
2103.	.....			
2198.	Summary of remaining write-ins for Line 21 from overflow page				
2199.	TOTALS (Lines 2101 through 2103 plus 2198) (Line 21 above)				
2301.	.....	X X X	X X X		
2302.	.....	X X X	X X X		
2303.	.....	X X X	X X X		
2398.	Summary of remaining write-ins for Line 23 from overflow page	X X X	X X X		
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	X X X	X X X		
2801.	.....	X X X	X X X		
2802.	.....	X X X	X X X		
2803.	.....	X X X	X X X		
2898.	Summary of remaining write-ins for Line 28 from overflow page	X X X	X X X		
2899.	TOTALS (Lines 2801 through 2803 plus 2898) (Line 28 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months	X X X	2,135,942	2,235,214
2.	Net premium income (including \$.....0 non-health premium income)	X X X	632,891,473	636,786,990
3.	Change in unearned premium reserves and reserve for rate credits	X X X		
4.	Fee-for-service (net of \$.....0 medical expenses)	X X X		
5.	Risk revenue	X X X		
6.	Aggregate write-ins for other health care related revenues	X X X		
7.	Aggregate write-ins for other non-health revenues	X X X		
8.	Total revenues (Lines 2 to 7)	X X X	632,891,473	636,786,990
Hospital and Medical:				
9.	Hospital/medical benefits		380,955,704	409,348,598
10.	Other professional services		27,117,357	28,228,448
11.	Outside referrals			
12.	Emergency room and out-of-area		41,295,305	39,079,730
13.	Prescription drugs		43,540,715	52,945,849
14.	Aggregate write-ins for other hospital and medical		8,099,850	6,668,902
15.	Incentive pool, withhold adjustments and bonus amounts			
16.	Subtotal (Lines 9 to 15)		501,008,931	536,271,527
Less:				
17.	Net reinsurance recoveries		783,458	2,142,390
18.	Total hospital and medical (Lines 16 minus 17)		500,225,473	534,129,137
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including \$.....13,627,843 cost containment expenses		17,769,357	15,533,154
21.	General administrative expenses		65,951,821	65,619,264
22.	Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)			
23.	Total underwriting deductions (Lines 18 through 22)		583,946,651	615,281,555
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	48,944,822	21,505,435
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		5,471,818	7,500,447
26.	Net realized capital gains (losses) less capital gains tax of \$.....0		44,964	6,654
27.	Net investment gains (losses) (Lines 25 plus 26)		5,516,782	7,507,101
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)]			
29.	Aggregate write-ins for other income or expenses			
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	54,461,604	29,012,536
31.	Federal and foreign income taxes incurred	X X X	18,545,423	12,759,741
32.	Net income (loss) (Lines 30 minus 31)	X X X	35,916,181	16,252,795
DETAILS OF WRITE-INS				
0601.	.....	X X X		
0602.	.....	X X X		
0603.	.....	X X X		
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		
0701.	.....	X X X		
0702.	.....	X X X		
0703.	.....	X X X		
0798.	Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799.	TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401.	Home Health Care, DME, Transportation, Etc.		8,099,850	6,668,902
1402.	.....		
1403.	.....		
1498.	Summary of remaining write-ins for Line 14 from overflow page			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)		8,099,850	6,668,902
2901.	.....		
2902.	.....		
2903.	.....		
2998.	Summary of remaining write-ins for Line 29 from overflow page			
2999.	TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)			

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	48,324,681	46,992,395
34.	Net income or (loss) from Line 32	35,916,181	16,252,795
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....0		
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax	2,045,259	3,245,301
39.	Change in nonadmitted assets	(3,475,670)	(747,228)
40.	Change in unauthorized reinsurance		
41.	Change in treasury stock		
42.	Change in surplus notes		
43.	Cumulative effect of changes in accounting principles		
44.	Capital Changes:		
44.1	Paid in		9
44.2	Transferred from surplus (Stock Dividend)		
44.3	Transferred to surplus		
45.	Surplus adjustments:		
45.1	Paid in	183,309	143,770
45.2	Transferred to capital (Stock Dividend)		
45.3	Transferred from capital		
46.	Dividends to stockholders		(17,562,361)
47.	Aggregate write-ins for gains or (losses) in surplus	(2,094,718)	
48.	Net change in capital and surplus (Lines 34 to 47)	32,574,361	1,332,286
49.	Capital and surplus end of reporting year (Line 33 plus 48)	80,899,042	48,324,681
DETAILS OF WRITE-INS			
4701.	Impairment of Goodwill	(2,094,718)	
4702.	.....	
4703.	.....	
4798.	Summary of remaining write-ins for Line 47 from overflow page		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)	(2,094,718)	

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	638,788,770	675,788,122
2.	Net investment income	5,449,440	7,724,916
3.	Miscellaneous income		
4.	Total (Lines 1 through 3)	644,238,210	683,513,038
5.	Benefit and loss related payments	514,830,138	504,985,648
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	83,625,144	79,874,795
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	20,725,801	11,918,277
10.	Total (Lines 5 through 9)	619,181,083	596,778,720
11.	Net cash from operations (Line 4 minus 10)	25,057,127	86,734,318
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	81,855,000	70,805,000
12.2	Stocks		
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7	Miscellaneous proceeds		
12.8	Total investment proceeds (Lines 12.1 to 12.7)	81,855,000	70,805,000
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	105,178,714	66,936,813
13.2	Stocks		
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets		
13.6	Miscellaneous applications	44,964	37,098
13.7	Total investments acquired (Lines 13.1 to 13.6)	105,223,678	66,973,911
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(23,368,678)	3,831,089
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock		9
16.3	Borrowed funds		
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders		17,562,361
16.6	Other cash provided (applied)	(5,518,964)	(3,748,647)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(5,518,964)	(21,310,999)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(3,830,515)	69,254,408
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	94,725,408	25,471,000
19.2	End of year (Line 18 plus Line 19.1)	90,894,893	94,725,408

Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001	Depreciation	447,843	331,091
20.0002	ESPP Capital Contribution	183,309	143,779

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

		1	2	3	4	5	6	7	8	9	10
		Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1.	Net premium income	632,891,473						9,776,428	623,115,045		
2.	Change in unearned premium reserves and reserve for rate credit										
3.	Fee-for-service (net of \$.....0 medical expenses)										X X X
4.	Risk revenue										X X X
5.	Aggregate write-ins for other health care related revenues										X X X
6.	Aggregate write-ins for other non-health care related revenues		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
7.	Total revenues (Lines 1 to 6)	632,891,473						9,776,428	623,115,045		
8.	Hospital/medical benefits	380,955,704						4,596,669	376,359,035		X X X
9.	Other professional services	27,117,357						171,149	26,946,208		X X X
10.	Outside referrals										X X X
11.	Emergency room and out-of-area	41,295,305						3,273,058	38,022,247		X X X
12.	Prescription drugs	43,540,715						765,392	42,775,323		X X X
13.	Aggregate write-ins for other hospital and medical	8,099,850						122,966	7,976,884		X X X
14.	Incentive pool, withhold adjustments and bonus amounts										X X X
15.	Subtotal (Lines 8 to 14)	501,008,931						8,929,234	492,079,697		X X X
16.	Net reinsurance recoveries	783,458							783,458		X X X
17.	Total hospital and medical (Lines 15 minus 16)	500,225,473						8,929,234	491,296,239		X X X
18.	Non-health claims (net)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
19.	Claims adjustment expenses including \$.....13,627,843 cost containment expenses	17,769,357						173,975	17,595,382		
20.	General administrative expenses	65,951,821						1,955,517	63,996,304		
21.	Increase in reserves for accident and health contracts										X X X
22.	Increase in reserves for life contracts		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
23.	Total underwriting deductions (Lines 17 to 22)	583,946,651						11,058,726	572,887,925		
24.	Net underwriting gain or (loss) (Line 7 minus Line 23)	48,944,822						(1,282,298)	50,227,120		
DETAILS OF WRITE-INS											
0501.	.....										X X X
0502.	.....										X X X
0503.	.....										X X X
0598.	Summary of remaining write-ins for Line 5 from overflow page										X X X
0599.	TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)										X X X
0601.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0602.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0603.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0698.	Summary of remaining write-ins for Line 6 from overflow page		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
1301.	Home Health Care, DME, Transportation, etc.	8,099,850						122,966	7,976,884		X X X
1302.	.....										X X X
1303.	.....										X X X
1398.	Summary of remaining write-ins for Line 13 from overflow page										X X X
1399.	TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)	8,099,850						122,966	7,976,884		X X X

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

		1	2	3	4
		Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
Line of Business					
1.	Comprehensive (hospital and medical) .....	.....	.....	.....	.....
2.	Medicare Supplement .....	.....	.....	.....	.....
3.	Dental only .....	.....	.....	.....	.....
4.	Vision only .....	.....	.....	.....	.....
5.	Federal Employees Health Benefits Plan .....	.....	.....	.....	.....
6.	Title XVIII - Medicare	9,777,639	.....	1,211	9,776,428
7.	Title XIX - Medicaid	623,769,156	.....	654,111	623,115,045
8.	Other health .....	.....	.....	.....	.....
9.	Health subtotal (Lines 1 through 8)	633,546,795	.....	655,322	632,891,473
10.	Life .....	.....	.....	.....	.....
11.	Property/casualty .....	.....	.....	.....	.....
12.	TOTALS (Lines 9 to 11)	633,546,795	.....	655,322	632,891,473

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	517,675,721						6,935,801	510,739,920		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded	2,845,584							2,845,584		
1.4 Net	514,830,137						6,935,801	507,894,336		
2. Paid medical incentive pools and bonuses										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	78,282,055						2,871,503	75,410,552		
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	78,282,055						2,871,503	75,410,552		
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year										
6. Net healthcare receivables (a)	856,905						4,642	852,263		
7. Amounts recoverable from reinsurers December 31, current year	76,744							76,744		
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	94,091,941						873,429	93,218,512		
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	94,091,941						873,429	93,218,512		
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year										
11. Amounts recoverable from reinsurers December 31, prior year	2,138,870							2,138,870		
12. Incurred benefits:										
12.1 Direct	501,008,930						8,929,233	492,079,697		
12.2 Reinsurance assumed										
12.3 Reinsurance ceded	783,458							783,458		
12.4 Net	500,225,472						8,929,233	491,296,239		
13. Incurred medical incentive pools and bonuses										

(a) Excludes \$.....10,693,521 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	10,023,946						385,871	9,638,075		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	10,023,946						385,871	9,638,075		
2. Incurred but Unreported:										
2.1 Direct	68,258,109						2,485,632	65,772,477		
2.2 Reinsurance assumed										
2.3 Reinsurance ceded										
2.4 Net	68,258,109						2,485,632	65,772,477		
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct										
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net										
4. TOTALS										
4.1 Direct	78,282,055						2,871,503	75,410,552		
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net	78,282,055						2,871,503	75,410,552		

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

		Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
Line of Business							
1.	Comprehensive (hospital and medical)						
2.	Medicare Supplement						
3.	Dental only						
4.	Vision only						
5.	Federal Employees Health Benefits Plan						
6.	Title XVIII - Medicare	524,079	6,411,722	220,816	2,650,687	744,895	873,429
7.	Title XIX - Medicaid	73,120,687	434,696,905	3,349,916	72,060,636	76,470,603	91,079,642
8.	Other health						
9.	Health subtotal (Lines 1 to 8)	73,644,766	441,108,627	3,570,732	74,711,323	77,215,498	91,953,071
10.	Healthcare receivables (a)		1,170,869				313,964
11.	Other non-health						
12.	Medical incentive pool and bonus amounts						
13.	TOTALS (Lines 9 - 10 + 11 + 12)	73,644,766	439,937,758	3,570,732	74,711,323	77,215,498	91,639,107

(a) Excludes \$.....10,693,521 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2004	2 2005	3 2006	4 2007	5 2008
1.	Prior	42,195	42,118	42,118	42,118	42,118
2.	2004	297,407	343,542	344,124	344,124	344,116
3.	2005	X X X	362,072	408,553	408,307	406,969
4.	2006	X X X	X X X	415,246	470,421	470,270
5.	2007	X X X	X X X	X X X	447,917	523,058
6.	2008	X X X	X X X	X X X	X X X	441,109

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2004	2 2005	3 2006	4 2007	5 2008
1.	Prior	(10,720)	(11,255)	44,879	42,118	42,118
2.	2004	347,796	344,234	344,589	344,124	344,116
3.	2005	X X X	419,466	410,848	408,424	406,969
4.	2006	X X X	X X X	476,709	472,968	470,273
5.	2007	X X X	X X X	X X X	539,344	526,626
6.	2008	X X X	X X X	X X X	X X X	515,820

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2004	430,917	344,116	11,062	3.215	355,178	82.424			355,178	82.424
2.	2005	503,219	406,969	11,903	2.925	418,872	83.238			418,872	83.238
3.	2006	575,408	470,270	13,192	2.805	483,462	84.021	3		483,465	84.021
4.	2007	636,787	523,058	12,575	2.404	535,633	84.115	3,568	319	539,520	84.725
5.	2008	632,891	441,109	15,199	3.446	456,308	72.099	74,711	1,710	532,729	84.174

12 Total

- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Hospital and Medical . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Hospital and Medical . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Hospital and Medical . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Title XVIII - Medicare

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2004	2 2005	3 2006	4 2007	5 2008
1.	Prior .....	.....	.....	.....	.....	.....
2.	2004 .....	.....	.....	.....	.....	.....
3.	2005	X X X .....	.....	.....	.....	.....
4.	2006	X X X	X X X .....	.....	.....	.....
5.	2007	X X X	X X X	X X X	343	867
6.	2008	X X X	X X X	X X X	X X X	6,412

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2004	2 2005	3 2006	4 2007	5 2008
1.	Prior .....	.....	.....	.....	.....	.....
2.	2004 .....	.....	.....	.....	.....	.....
3.	2005	X X X .....	.....	.....	.....	.....
4.	2006	X X X	X X X .....	.....	.....	.....
5.	2007	X X X	X X X	X X X	1,216	1,088
6.	2008	X X X	X X X	X X X	X X X	9,063

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2004 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2.	2005 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3.	2006 .....	.....	.....	0 .....	.....	0 .....	.....	.....	.....	0 .....	.....
4.	2007	1,759	867	309	35.643	1,176	66.858	221	9	1,406	79.933
5.	2008	9,776	6,412	104	1.628	6,516	66.657	2,651	62	9,229	94.408

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Title XIX - Medicaid

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2004	2 2005	3 2006	4 2007	5 2008
1.	Prior	42,195	42,118	42,118	42,118	42,118
2.	2004	297,407	343,542	344,124	344,124	344,116
3.	2005	X X X	362,072	408,553	408,307	406,969
4.	2006	X X X	X X X	415,246	470,421	470,270
5.	2007	X X X	X X X	X X X	447,574	522,191
6.	2008	X X X	X X X	X X X	X X X	434,697

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2004	2 2005	3 2006	4 2007	5 2008
1.	Prior	(10,720)	(11,255)	44,879	42,118	42,118
2.	2004	347,796	344,234	344,589	344,124	344,116
3.	2005	X X X	419,466	410,848	408,424	406,969
4.	2006	X X X	X X X	476,709	472,968	470,273
5.	2007	X X X	X X X	X X X	538,128	525,538
6.	2008	X X X	X X X	X X X	X X X	506,757

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2004	430,917	344,116	11,062	3.215	355,178	82.424			355,178	82.424
2.	2005	503,219	406,969	11,903	2.925	418,872	83.238			418,872	83.238
3.	2006	575,408	470,270	13,193	2.805	483,463	84.021	3		483,466	84.021
4.	2007	635,028	522,191	12,266	2.349	534,457	84.163	3,347	310	538,114	84.739
5.	2008	623,115	434,697	15,095	3.473	449,792	72.184	72,060	1,648	523,500	84.013

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Other

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2004	2 2005	3 2006	4 2007	5 2008
1.	Prior					
2.	2004					
3.	2005					
4.	2006					
5.	2007					
6.	2008					

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2004	2 2005	3 2006	4 2007	5 2008
1.	Prior					
2.	2004					
3.	2005					
4.	2006					
5.	2007					
6.	2008					

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2004										
2.	2005										
3.	2006										
4.	2007										
5.	2008										

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves									
2. Additional policy reserves (a)	16,647						16,647		
3. Reserve for future contingent benefits									
4. Reserve for rate credits or experience rating refunds (including \$.....0) for investment income									
5. Aggregate write-ins for other policy reserves									
6. Totals (gross)	16,647						16,647		
7. Reinsurance ceded									
8. Totals (Net) (Page 3, Line 4)	16,647						16,647		
9. Present value of amounts not yet due on claims									
10. Reserve for future contingent benefits									
11. Aggregate write-ins for other claim reserves									
12. Totals (gross)									
13. Reinsurance ceded									
14. Totals (Net) (Page 3, Line 7)									
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page ..									
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)									
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page .									
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)									

(a) Includes \$.....0 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

		Claim Adjustment Expenses		3	4	5
		1	2			
		Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1.	Rent (\$.....0 for occupancy of own building)			2,249,602		2,249,602
2.	Salaries, wages and other benefits	12,044,312	1,678,893	31,511,280		45,234,485
3.	Commissions (less \$.....0 ceded plus \$.....0 assumed)					
4.	Legal fees and expenses			745,865		745,865
5.	Certifications and accreditation fees					
6.	Auditing, actuarial and other consulting services			332,429		332,429
7.	Traveling expenses	166,303	602	454,821		621,726
8.	Marketing and advertising	43,821		825,395		869,216
9.	Postage, express and telephone	200,203		1,900,764		2,100,967
10.	Printing and office supplies	94,433		1,058,112		1,152,545
11.	Occupancy, depreciation and amortization			2,248,755		2,248,755
12.	Equipment					
13.	Cost or depreciation of EDP equipment and software			2,696,797		2,696,797
14.	Outsourced services including EDP, claims, and other services	75,095	2,403,212	4,547,405		7,025,712
15.	Boards, bureaus and association fees	5,821		997,354		1,003,175
16.	Insurance, except on real estate			952,868		952,868
17.	Collection and bank service charges	407,412		48,724		456,136
18.	Group service and administration fees					
19.	Reimbursements by uninsured plans					
20.	Reimbursements from fiscal intermediaries					
21.	Real estate expenses					
22.	Real estate taxes					
23.	Taxes, licenses and fees:					
23.1	State and local insurance taxes					
23.2	State premium taxes			11,547,256		11,547,256
23.3	Regulator authority licenses and fees					
23.4	Payroll taxes					
23.5	Other (excluding federal income and real estate taxes)			831,402		831,402
24.	Investment expenses not included elsewhere					
25.	Aggregate write-ins for expenses	590,443	58,807	3,002,992		3,652,242
26.	Total expenses incurred (Lines 1 to 25)	13,627,843	4,141,514	65,951,821		(a) 83,721,178
27.	Less expenses unpaid December 31, current year	2,029,535		117,013		2,146,548
28.	Add expenses unpaid December 31, prior year	2,282,479		56,120		2,338,599
29.	Amounts receivable relating to uninsured plans, prior year					
30.	Amounts receivable relating to uninsured plans, current year					
31.	Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	13,880,787	4,141,514	65,890,928		83,913,229
DETAILS OF WRITE-INS						
2501.	Benefit Enhancement, Recruitment, Training/Seminars	590,443	58,807	3,002,992		3,652,242
2502.	.....				
2503.	.....				
2598.	Summary of remaining write-ins for Line 25 from overflow page					
2599.	Totals (Lines 2501 through 2503 + 2598) (Line 25 above)	590,443	58,807	3,002,992		3,652,242

(a) Includes management fees of \$.....35,480,671 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. Government bonds	(a)..... 2,673,679	..... 2,835,167
1.1	Bonds exempt from U.S. tax	(a).....	.....
1.2	Other bonds (unaffiliated)	(a)..... 137,539	..... 176,197
1.3	Bonds of affiliates	(a).....	.....
2.1	Preferred stocks (unaffiliated)	(b).....	.....
2.11	Preferred stocks of affiliates	(b).....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans	(c).....	.....
4.	Real estate	(d).....	.....
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments	(e)..... 2,593,258	..... 2,460,454
7.	Derivative instruments	(f).....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....	.....
10.	Total gross investment income .....	..... 5,404,476	..... 5,471,818
11.	Investment expenses	(g).....	
12.	Investment taxes, licenses and fees, excluding federal income taxes	(g).....	
13.	Interest expense	(h).....	
14.	Depreciation on real estate and other invested assets	(i).....	
15.	Aggregate write-ins for deductions from investment income .....	.....
16.	Total deductions (Lines 11 through 15) .....	.....
17.	Net Investment income (Line 10 minus Line 16) .....	..... 5,471,818	
DETAILS OF WRITE-INS			
0901.	.....	.....	.....
0902.	.....	.....	.....
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above) .....	.....	.....
1501.	.....	.....	.....
1502.	.....	.....	.....
1503.	.....	.....	.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....	.....	.....
1599.	TOTALS (Lines 1501 through 1503 plus 1598) (Line 15, above) .....	.....	.....
(a) Includes \$.....22,172 accrual of discount less \$.....5,966 amortization of premium and less \$.....133,122 paid for accrued interest on purchases.			
(b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.			
(c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.			
(e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.			
(g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.			
(h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.			
(i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.			

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....	..... 44,964	.....	..... 44,964	.....	.....
1.1	Bonds exempt from U.S. tax .....	.....	.....	.....	.....	.....
1.2	Other bonds (unaffiliated) .....	.....	.....	.....	.....	.....
1.3	Bonds of affiliates .....	.....	.....	.....	.....	.....
2.1	Preferred stocks (unaffiliated) .....	.....	.....	.....	.....	.....
2.11	Preferred stocks of affiliates .....	.....	.....	.....	.....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....	.....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....	.....	.....	.....
3.	Mortgage loans .....	.....	.....	.....	.....	.....
4.	Real estate .....	.....	.....	.....	.....	.....
5.	Contract loans .....	.....	.....	.....	.....	.....
6.	Cash, cash equivalents and short-term investments .....	.....	.....	.....	.....	.....
7.	Derivative instruments .....	.....	.....	.....	.....	.....
8.	Other invested assets .....	.....	.....	.....	.....	.....
9.	Aggregate write-ins for capital gains (losses) .....	.....	.....	.....	.....	.....
10.	Total capital gains (losses) .....	..... 44,964	.....	..... 44,964	.....	.....
DETAILS OF WRITE-INS						
0901.	.....	.....	.....	.....	.....	.....
0902.	.....	.....	.....	.....	.....	.....
0903.	.....	.....	.....	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....	.....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above) .....	.....	.....	.....	.....	.....

EXHIBIT OF NONADMITTED ASSETS

		1	2	3
		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D)			
2.	Stocks (Schedule D):			
2.1	Preferred stocks			
2.2	Common stocks			
3.	Mortgage loans on real estate (Schedule B):			
3.1	First liens			
3.2	Other than first liens			
4.	Real estate (Schedule A):			
4.1	Properties occupied by the company			
4.2	Properties occupied for the production of income			
4.3	Properties held for sale			
5.	Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6.	Contract loans			
7.	Other invested assets (Schedule BA)			
8.	Receivables for securities			
9.	Aggregate write-ins for invested assets			
10.	Subtotals, cash and invested assets (Lines 1 to 9)			
11.	Title plants (for Title insurers only)			
12.	Invested income due and accrued			
13.	Premium and considerations:			
13.1	Uncollected premiums and agents' balances in the course of collection			
13.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due			
13.3	Accrued retrospective premiums			
14.	Reinsurance:			
14.1	Amounts recoverable from reinsurers			
14.2	Funds held by or deposited with reinsured companies			
14.3	Other amounts receivable under reinsurance contracts			
15.	Amounts receivable relating to uninsured plans			
16.1	Current federal and foreign income tax recoverable and interest thereon			
16.2	Net deferred tax asset			
17.	Guaranty funds receivable or on deposit			
18.	Electronic data processing equipment and software	243,070	354,192	111,122
19.	Furniture and equipment, including health care delivery assets	238,190	388,178	149,988
20.	Net adjustment in assets and liabilities due to foreign exchange rates			
21.	Receivables from parent, subsidiaries and affiliates	746,604		(746,604)
22.	Health care and other amounts receivable	11,864,390	6,811,804	(5,052,586)
23.	Aggregate write-ins for other than invested assets	12,751,310	14,813,720	2,062,410
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	25,843,564	22,367,894	(3,475,670)
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
26.	Total (Lines 24 and 25)	25,843,564	22,367,894	(3,475,670)
DETAILS OF WRITE-INS				
0901.	.....		
0902.	.....		
0903.	.....		
0998.	Summary of remaining write-ins for Line 9 from overflow page			
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)			
2301.	Goodwill	12,679,002	14,773,720	2,094,718
2302.	Prepaid Expenses	72,308	40,000	(32,308)
2303.	.....		
2398.	Summary of remaining write-ins for Line 23 from overflow page			
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	12,751,310	14,813,720	2,062,410

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment		Total Members at End of					6
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1.	Health Maintenance Organizations	189,615	192,183	192,279	161,386	169,040	2,135,942
2.	Provider Service Organizations						
3.	Preferred Provider Organizations						
4.	Point of Service						
5.	Indemnity Only						
6.	Aggregate write-ins for other lines of business						
7.	TOTAL	189,615	192,183	192,279	161,386	169,040	2,135,942
DETAILS OF WRITE-INS							
0601.	.....					
0602.	.....					
0603.	.....					
0698.	Summary of remaining write-ins for Line 6 from overflow page						
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)						

Notes to Financial Statement

1. Summary of Significant Accounting Policies

A. Accounting Practices

The Financial Statements of AMERIGROUP Maryland, Inc. is presented on the basis of accounting practices prescribed or permitted by the District of Columbia Department of Insurance, Securities & Banking.

The District of Columbia Department of Insurance, Securities & Banking recognizes only statutory accounting practices prescribed or permitted by the District of Columbia for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the District of Columbia Insurance Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual, version effective March 2008 (NAIC SSAP) has been adopted as a component of prescribed or permitted practices by the state of Maryland and the District of Columbia.

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with the Statutory Accounting Principles requires management to make estimates and assumptions that affect the report amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

The Company records premium revenues based on its membership records and premiums rates for each membership category within each county. Premiums are due monthly and are recognized as revenue during the period in which the company is obligated to provide service to members.

In addition, the company uses the following accounting policies.

- (1) Short-term investments are stated at amortized cost. Any Bonds not backed by other loans are stated at amortized cost using the interest method.
- (2) Unpaid Claims and loss adjustment expenses include an amount determined from individual case estimates and claim reports and an amount , based on past experience, for claims incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.

2. Accounting Changes and Corrections of Errors

None.

3. Business Combinations and Goodwill

AMERIGROUP DC's contract with the District of Columbia, as amended, terminated on June 30, 2008. As a result of discontinuing operations in the DC market, the Company has written-off \$2.1 million in acquired goodwill. The write-off was applied to the non-admitted portion of the assets in accordance with SSAP No. 68 and is included on line forty-seven (47) of page five (5) of the filing. Additional costs recorded and to be recorded to discontinue operations are not expected to be material.

4. Discontinued Operations

On March 10, 2008, AMERIGROUP Maryland, Inc. d/b/a AMERIGROUP Community Care of the District of Columbia ("AMERIGROUP DC") was notified that it was one of four successful bidders in the re-procurement of the District of Columbia's Medicaid managed care business for the contract period beginning May 1, 2008. On April 2, 2008, AMERIGROUP DC elected to not participate in the District's new contract due to premium rates and programmatic concerns. AMERIGROUP DC's contract with the District of Columbia, as amended, terminated on June 30, 2008. As noted in Note 3, as a result of discontinuing operations in the DC market, the Company has written-off \$2.1 million of goodwill that was previously presented as a non-admitted asset. Additional costs recorded or to be recorded in connection with discontinuing operations are not expected to be material.

5. Investments

The Company as of December 31, 2008 does not possess or reflect any Mortgage Loans, Debt Restructuring, Reverse Mortgages, Loan-Backed Securities or Repurchase Agreements.

6. Joint Ventures, Partnerships and Limited Liability Companies

The Company as of December 31, 2008 had no investments in Joint Ventures, Partnerships and Limited Liability Companies.

Notes to Financial Statement

7. Investment Income

The Company reports only investment income that is earned as due and accrued.

8. Derivative Instruments

The Company as of December 31, 2008 had no investments in Derivative Instruments.

9. Income Taxes

A. Components of Deferred Tax Assets (DTAs) and Deferred Tax Liabilities (DTLs) at December 31:

	2008	2007
Total of all deferred income tax assets (admitted and non-admitted)	\$ 12,362,977	\$ 10,993,529
Total of all deferred income tax liabilities	0	0
Net deferred tax asset (liability)	\$ 12,362,977	\$ 10,993,529
Total deferred tax assets non-admitted in accordance with SSAP No.10	\$ (3,071,221)	\$ (3,747,032)
Total net admitted deferred tax asset (liability)	9,291,756	7,246,497
(Increase) decrease in deferred tax assets non-admitted	\$ 675,811	\$ 463,654

B. Unrecognized deferred tax liabilities

There are no temporary differences for which deferred tax liabilities are not recognized.

C. Current income taxes incurred consist of the following major components:

	2008	2007
Current year tax expense (benefit) (exclusive of items 2 and 3 below)	\$ 18,525,274	\$ 12,729,587
Tax credits		
Prior year adjustments	\$ 20,149	\$ 30,154
Current income taxes incurred	\$ 18,545,423	\$ 12,759,741

Deferred income tax assets and liabilities consist of the following major components:

	2008	2007	Change
Deferred tax assets:			
Goodwill	\$ 3,479,016	\$ 4,034,102	\$ (555,086)
Property and Equipment	\$ 218,174	\$ 347,075	\$ (128,901)
Claims Unpaid	\$ 592,447	\$ 971,066	\$ (378,619)
Contractual Allowances	\$ 4,962,121	\$ 2,961,982	\$ 2,000,139
Unearned Revenue	\$ 2,974,818	\$ 2,665,304	\$ 309,514
Unrealized losses	\$ 80,916	\$	\$ 80,916
Other	\$ 55,485	\$ 14,000	\$ 41,485
Total deferred tax assets	\$ 12,362,977	\$ 10,993,529	\$ 1,369,448
Non-admitted deferred tax assets	\$ (3,071,221)	\$ (3,747,032)	\$ 675,811
Admitted deferred tax assets	\$ 9,291,756	\$ 7,246,497	\$ 2,045,259
Deferred tax liabilities:			
Other	0	0	0
Net Admitted Deferred Tax Assets (Liabilities)	\$ 9,291,756	\$ 7,246,497	\$ 2,045,259
Total deferred tax assets	\$ 12,362,977	\$ 10,993,529	\$ 1,369,448
Total deferred tax liabilities	-	-	-
Net deferred tax assets	\$ 12,362,977	\$ 10,993,529	\$ 1,369,448
Less tax effect of unrealized gains and losses			\$ (80,916)
Net change in deferred tax assets			\$ 1,288,532

D. The Company’s income tax incurred and change in deferred income tax differs from the amount obtained by applying the federal statutory rate of 35% to income before income taxes as follows:

	2008
Federal current income taxes incurred	\$ 18,545,423
Change in deferred income tax	\$ (1,288,532)

Notes to Financial Statement

Other	
Total statutory income taxes	\$ 17,256,891
Provision at statutory rate	\$ 54,461,604
	35%
Expected Income Tax Expense (Benefit) at 35% Statutory Rate	\$ 19,061,561
Nondeductible lobbying expenses	44,400
Other nondeductible expenses	12,633
STAT to GAAP difference	(1,894,199)
Prior year adjustments	32,496
	\$ 17,256,891

E. Operating Loss Carryforward

- (1) As of December 31, 2008, there are no operating loss or tax credit carryforwards available for tax purposes.
- (2) The following are income taxes incurred that are available for recoupment in the event of future net losses are: current year \$18,545,423; first preceding year \$12,711,377.

F. Consolidated Federal Income Tax Return

- (1) The Company’s Federal Income Tax return is consolidated with the following entities:

- AMERIGROUP Corporation (Parent)
- AMERIGROUP Florida, Inc.
- AMERIGROUP New Jersey, Inc.
- AMERIGROUP Texas, Inc.
- AMERIGROUP Virginia, Inc.
- AMERIGROUP Ohio, Inc.
- AMERIGROUP Maryland, Inc.
- AMGP Georgia Managed Care Company, Inc.
- PHP Holdings, Inc.
- AMERIGROUP New York, LLC
- AMERIGROUP Tennessee, Inc.
- AMERIGROUP Community Care of New Mexico, Inc.
- AMERIGROUP Community Care of South Carolina, Inc.
- AMERIGROUP Health Solutions, Inc.
- AMERIGROUP Nevada, Inc.

AMERIGROUP Corporation has a written agreement outlining the method of allocating federal income tax between the entities. The allocation is based on separate return calculations for each member of the affiliated group. If AMERIGROUP Maryland has net operating losses (including carryforwards and carrybacks) or tax credits (including carryforwards or carrybacks), AMERIGROUP Corporation will pay AMERIGROUP Maryland for losses or credits applied to the consolidated return or used on separate company returns.

10. Information Concerning Parent , Subsidiaries and Affiliates

AMERIGROUP Corporation owns 100% of the outstanding shares of the company and provides administrative and financial support services to the Company. Inter-company management fees are charged to the Company in accordance with a Management and Administrative Services Agreement. As of December 31, 2008 the Company was owed \$746,604 from AMERIGROUP Corporation. This amount was due to the difference between the estimated amount paid for Management fees to the parent and the final amount due, the amount of which will be applied to charges in January 2009.

11. Debt

The Company has no debt outstanding.

12. Retirement Plans, Deferred Compensation, Post employment Benefits and Compensated Absences and Other Postretirement Benefits Plans

The Company’s employees have the option to participate in a deferred compensation plan sponsored by AMERIGROUP Corporation. All full-time and most part-time employees of AMERIGROUP Corporation and the Company may elect to participate in this plan. This plan is exempt from income taxes under Section 401(k) of the Internal Revenue Code. Participants may contribute a certain percentage of their compensation subject to maximum federal and plan limits. AMERIGROUP Corporation may elect to match a certain percentage of each employee’s contributions up to specified limits. For the years ended December 31, 2007, and 2008, AMERIGROUP Corporation’s matching contribution under the plan was approximately \$3,748,000 and \$3,649,000, respectively, and was not directly charged to the Company.

Notes to Financial Statement

13. Capital and Surplus, Shareholder's Dividend Restrictions and Quasi-Reorganizations.

- (1) The Company has 1000 shares of common stock authorized and 100 shares outstanding.
- (2) The Company has no preferred stock outstanding.

14. Contingencies

None.

15. Leases

The Company leases office space under 2 operating lease agreements; one expires in 2009 and the other in 2014. Rent expense for the year ended December 31, 2008 was \$1,279,367. As of January 1, 2009, the minimum aggregate rental commitments are as follows:

2009	\$630,916
2010	\$509,312
2011	\$521,306
2012	\$534,076
2013 & thereafter	\$560,616

16. Information about Financial Instruments with Off-Balance Sheet Risk and Financial With Concentrations of Credit Risk.

None.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

None.

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans.

None. Follow up with Bette

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators.

None.

20. Other Items

None.

21. Events Subsequent

On January 9, 2009, AMERIGROUP Maryland, Inc. redomesticated from the District of Columbia to the State of Maryland.

22. Reinsurance

A new contract was signed with ReliaStar Life Insurance Company, effective July 1, 2008, with the attachment points per Medicaid being of \$1,000,000. The Company during this reporting period had no Unsecured Reinsurance Recoverables, Reinsurance Recoverable in Dispute, Uncollectible Reinsurance, Commutation of Reinsurance or Retroactive Reinsurance.

23. Retrospectively Rated Contracts

None.

24. Change in Incurred Claims and Claim Adjustment Expenses

The changes to reserves for incurred claims and claim adjustment expenses result from re-estimation and are reflected in the period determined.

25. Intercompany Pooling Arrangements

None.

Notes to Financial Statement

26. Structured Settlements

None.

27. Health Care Receivables

Health Care Receivables consist of a provider advances and provider overpayments on paid claims, all of which were non-admitted at December 31, 2008.

28. Participating Policies

None.

29. Premium Deficiency Reserves

None.

30. Salvage and Subrogation

None.

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes[X] No[]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes[X] No[] N/A[]
Dist. of Columbia
- 1.3 State Regulating?
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[] No[X]
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2005
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2005
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

04/09/2007
- 3.4 By what department or departments?
District of Columbia's Department of Insurance, Securities and Banking
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

Yes[] No[] N/A[X]
Yes[X] No[] N/A[]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with?
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business?

Yes[] No[X]
- 4.12 renewals?

Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business?

Yes[] No[X]
- 4.22 renewals?

Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes[] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes[] No[X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control

0.000%
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1	2
Nationality	Type of Entity

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e., the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC
		Yes[] No[X]	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
KPMG - 2100 Dominion Towers 999 Waterside Dr. Norfolk, VA 23510
10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Reden & Anders, LTD. 1200 17th St. Suite 750 Denver, CO 80202
- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes[] No[X]
- 11.11 Name of real estate holding company
- 11.12 Number of parcels involved

0
- 11.13 Total book/adjusted carrying value

\$ 0
- 11.2 If yes, provide explanation
12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 12.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 12.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes[] No[] N/A[X]
Yes[] No[] N/A[X]
- 12.3 Have there been any changes made to any of the trust indentures during the year?

GENERAL INTERROGATORIES (Continued)

- 12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes?
- Yes[] No[] N/A[X]
- 13.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

13.11 If the response to 13.1 is No, please explain:

b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

13.2 Has the code of ethics for senior managers been amended?

c. Compliance with applicable governmental laws, rules and regulations;

13.21 If the response to 13.2 is Yes, provide information related to amendment(s).

d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

13.3 Have any provisions of the code of ethics been waived for any of the specified officers?

e. Accountability for adherence to the code.

13.31 If the response to 13.3 is Yes, provide the nature of any waiver(s).
- Yes[X] No[]

BOARD OF DIRECTORS

14. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?
- Yes[X] No[]
15. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?
- Yes[X] No[]
16. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?
- Yes[X] No[]

FINANCIAL

17. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?
- Yes[] No[X]
- 18.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

18.11 To directors or other officers

\$ 0

18.12 To stockholders not officers

\$ 0

18.13 Trustees, supreme or grand (Fraternal only)

\$ 0

18.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

18.21 To directors or other officers

\$ 0

18.22 To stockholders not officers

\$ 0

18.23 Trustees, supreme or grand (Fraternal only)

\$ 0

19.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes[] No[X]

19.2 If yes, state the amount thereof at December 31 of the current year:

19.21 Rented from others

\$ 0

19.22 Borrowed from others

\$ 0

19.23 Leased from others

\$ 0

19.24 Other

\$ 0

20.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes[] No[X]

20.2 If answer is yes:

20.21 Amount paid as losses or risk adjustment

\$ 0

20.22 Amount paid as expenses

\$ 0

20.23 Other amounts paid

\$ 0

21.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes[] No[X]

21.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$ 0

INVESTMENT

22.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 22.3)

Yes[X] No[]

22.2 If no, give full and complete information, relating thereto:

22.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet, (an alternative is to reference Note 16 where this information is also provided)

22.4 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?

Yes[] No[] N/A[X]

22.5 If answer to 22.4 is YES, report amount of collateral

\$ 0

22.6 If answer to 22.4 is NO, report amount of collateral

\$ 0

23.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 19.1 and 22.3).

Yes[] No[X]

23.2 If yes, state the amount thereof at December 31 of the current year:

23.21 Subject to repurchase agreements

\$ 0

23.22 Subject to reverse repurchase agreements

\$ 0

23.23 Subject to dollar repurchase agreements

\$ 0

23.24 Subject to reverse dollar repurchase agreements

\$ 0

23.25 Pledged as collateral

\$ 0

23.26 Placed under option agreements

\$ 0

23.27 Letter stock or securities restricted as to sale

\$ 0

23.28 On deposit with state or other regulatory body

\$ 0

23.29 Other

\$ 0

23.3 For category (23.27) provide the following:

1	2	3
Nature of Restriction	Description	Amount
.....

24.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes[] No[X]

24.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

If no, attach a description with this statement.

Yes[] No[] N/A[X]

25.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes[] No[X]

25.2 If yes, state the amount thereof at December 31 of the current year.

\$ 0

26.1

GENERAL INTERROGATORIES (Continued)

26. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F - Custodial or Safekeeping agreements of the NAIC Financial Condition Examiners Handbook?
- 26.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:
- Yes[X] No[]

1 Name of Custodian(s)	2 Custodian's Address
SunTrust Bank	919 East Main Street, 7th floor, Richmond, VA 23219
.....
.....
.....
.....

- 26.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....

- 26.03 Have there been any changes, including name changes, in the custodian(s) identified in 26.01 during the current year?
- 26.04 If yes, give full and complete information relating thereto:
- Yes[] No[X]

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....

- 26.05 Identify all investment advisers, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
.....

- 27.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])?
- 27.2 If yes, complete the following schedule:
- Yes[] No[X]

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
27.2999 Total

- 27.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....

28. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
28.1 Bonds .....	..... 93,476,556	..... 94,379,928	..... 903,372
28.2 Preferred stocks .....	.....	.....	.....
28.3 Totals .....	..... 93,476,556	..... 94,379,928	..... 903,372

- 28.4 Describe the sources of methods utilized in determining the fair values
Month-end brokerage statements

- 29.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?
- 29.2 If no, list exceptions:
- Yes[X] No[]

GENERAL INTERROGATORIES (Continued)
OTHER

30.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ 4,893
30.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
District of Columbia Primary Care Association .....	..... 2,000

31.1 Amount of payments for legal expenses, if any? \$ 648,048
31.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Skadden Arps .....	..... 587,445

32.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$ 51,329
32.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies officers or department of government during the period covered by this statement.

1 Name	2 Amount Paid
Funk & Bolton .....	..... 33,000

GENERAL INTERROGATORIES (Continued)

1
Name of Service Area
Frederick
Garrett
Harford
Howard
Kent
Montgomery
Prince George
Queen Anne's
Somerset
St. Mary's
Talbot
Washington
Wicomico
Worecester
District of Columbia
Eastern Shore

FIVE-YEAR HISTORICAL DATA

	1 2008	2 2007	3 2006	4 2005	5 2004
BALANCE SHEET (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 26)	204,443,410	185,608,905	115,649,944	104,133,312	95,079,124
2. Total liabilities (Page 3, Line 22)	123,544,368	137,284,224	68,657,549	61,670,992	62,054,628
3. Statutory surplus	39,204,894	38,571,236	37,045,102	32,802,704	33,024,496
4. Total capital and surplus (Page 3, Line 31)	80,899,042	48,324,681	46,992,395	42,462,320	33,024,496
INCOME STATEMENT (Page 4)					
5. Total revenues (Line 8)	632,891,473	636,786,990	575,407,755	503,219,052	430,917,207
6. Total medical and hospital expenses (Line 18)	500,225,473	534,129,137	467,966,356	415,528,261	343,247,657
7. Claims adjustment expenses (Line 20)	17,769,357	15,533,154	13,542,650	12,033,827	11,146,279
8. Total administrative expenses (Line 21)	65,951,821	65,619,264	68,184,704	50,034,192	52,173,462
9. Net underwriting gain (loss) (Line 24)	48,944,822	21,505,435	25,714,045	25,622,772	24,349,809
10. Net investment gain (loss) (Line 27)	5,516,782	7,507,101	5,949,803	2,975,281	1,631,854
11. Total other income (Lines 28 plus 29)					
12. Net income or (loss) (Line 32)	35,916,181	16,252,795	20,637,997	21,122,183	16,985,456
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	25,057,127	86,734,318	22,102,805	18,468,645	2,717,082
RISK-BASED CAPITAL ANALYSIS					
14. Total adjusted capital	80,899,042	48,324,681	46,992,395	42,462,320	33,024,496
15. Authorized control level risk-based capital	19,602,447	19,285,618	18,522,551	16,401,352	13,576,150
ENROLLMENT (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	169,040	189,615	184,302	182,697	170,859
17. Total members months (Column 6, Line 7)	2,135,942	2,235,214	2,188,990	2,100,641	1,979,712
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	79.0	83.9	81.3	82.6	
20. Cost containment expenses	2.2	2.1	2.0	2.0	2.3
21. Other claims adjustment expenses	0.7	0.4	0.4	0.3	0.3
22. Total underwriting deductions (Line 23)	92.3	96.6	95.5	94.9	94.3
23. Total underwriting gain (loss) (Line 24)	8	3	4	5	6
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Column 5)	77,215,498	57,593,710	49,823,083	46,900,503	42,804,339
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	91,639,107	62,495,619	57,703,727	50,838,322	47,352,323
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
26. Affiliated bonds (Sch. D Summary, Line 25, Column 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 39, Column 1)					
28. Affiliated common stocks (Sch. D Summary, Line 53, Column 1)					
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. Total of above Lines 26 to 31					

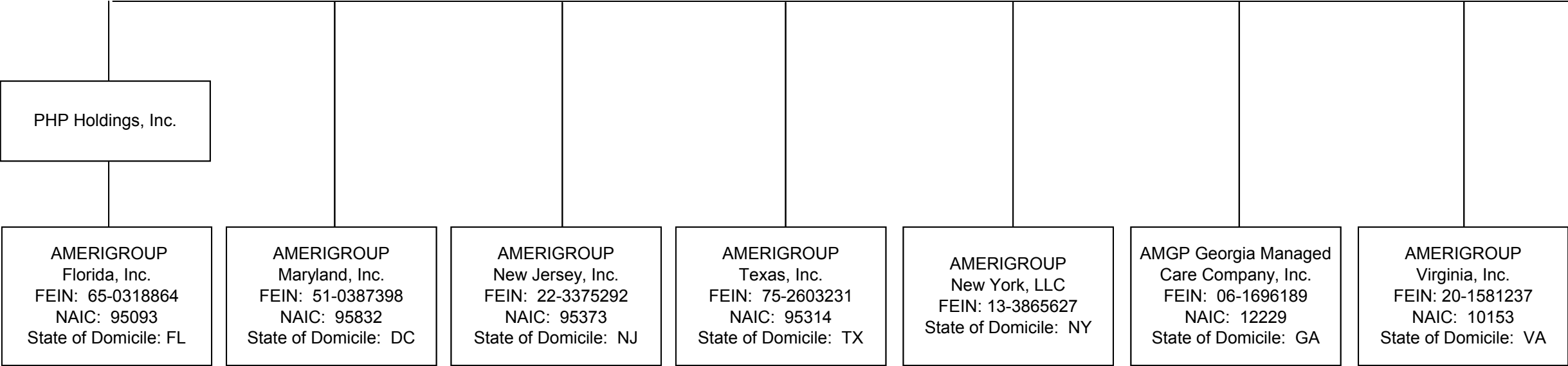
SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS
ALLOCATED BY STATES AND TERRITORIES

		1	Direct Business Only							
		Active Status	2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit - Type Contracts
1.	Alabama (AL)	N								
2.	Alaska (AK)	N								
3.	Arizona (AZ)	N								
4.	Arkansas (AR)	N								
5.	California (CA)	N								
6.	Colorado (CO)	N								
7.	Connecticut (CT)	N								
8.	Delaware (DE)	N								
9.	District of Columbia (DC)	L			46,406,340				46,406,340	
10.	Florida (FL)	N								
11.	Georgia (GA)	N								
12.	Hawaii (HI)	N								
13.	Idaho (ID)	N								
14.	Illinois (IL)	N								
15.	Indiana (IN)	N								
16.	Iowa (IA)	N								
17.	Kansas (KS)	N								
18.	Kentucky (KY)	N								
19.	Louisiana (LA)	N								
20.	Maine (ME)	N								
21.	Maryland (MD)	L		9,777,639	577,362,816				587,140,455	
22.	Massachusetts (MA)	N								
23.	Michigan (MI)	N								
24.	Minnesota (MN)	N								
25.	Mississippi (MS)	N								
26.	Missouri (MO)	N								
27.	Montana (MT)	N								
28.	Nebraska (NE)	N								
29.	Nevada (NV)	N								
30.	New Hampshire (NH)	N								
31.	New Jersey (NJ)	N								
32.	New Mexico (NM)	N								
33.	New York (NY)	N								
34.	North Carolina (NC)	N								
35.	North Dakota (ND)	N								
36.	Ohio (OH)	N								
37.	Oklahoma (OK)	N								
38.	Oregon (OR)	N								
39.	Pennsylvania (PA)	N								
40.	Rhode Island (RI)	N								
41.	South Carolina (SC)	N								
42.	South Dakota (SD)	N								
43.	Tennessee (TN)	N								
44.	Texas (TX)	N								
45.	Utah (UT)	N								
46.	Vermont (VT)	N								
47.	Virginia (VA)	N								
48.	Washington (WA)	N								
49.	West Virginia (WV)	N								
50.	Wisconsin (WI)	N								
51.	Wyoming (WY)	N								
52.	American Samoa (AS)	N								
53.	Guam (GU)	N								
54.	Puerto Rico (PR)	N								
55.	U.S. Virgin Islands (VI)	N								
56.	Northern Marianas Islands (MP)	N								
57.	Canada (CN)	N								
58.	Aggregate other alien (OT)	X X X								
59.	Subtotal	X X X		9,777,639	623,769,156				633,546,795	
60.	Reporting entity contributions for Employee Benefit Plans	X X X								
61.	TOTAL (Direct Business)	(a) 2		9,777,639	623,769,156				633,546,795	
DETAILS OF WRITE-INS										
5801.		X X X								
5802.		X X X								
5803.		X X X								
5898.	Summary of remaining write-ins for Line 58 from overflow page	X X X								
5899.	TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X								

(a) Insert the number of L responses except for Canada and Other Alien.
Explanation of basis of allocation of premiums by states, etc.: Specific Identification, no allocation used.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

AMERIGROUP Corporation



AMERIGROUP Virginia, Inc. FEIN: 20-1581237 NAIC: 10153 State of Domicile: VA	AMERIGROUP Ohio, Inc. dba AMERIGROUP Community Care FEIN: 13-4212818 NAIC: 10767 State of Domicile: OH	AMERIGROUP Community Care of New Mexico, Inc. FEIN: 20-2073598 NAIC: 12354 State of Domicile: NM	AMERIGROUP Nevada, Inc. FEIN: 20-3317697 NAIC: 12586 State of Domicile: NV	AMERIGROUP Tennessee, Inc. FEIN: 20-4776597 NAIC: 12941 State of Domicile: TN	AMERIGROUP Community Care of South Carolina, Inc. FEIN: 20-0331315 NAIC: 12765 State of Domicile: SC

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